

STATEMENT OF

MR. WAYNE ARNY

DEPUTY UNDER SECRETARY OF DEFENSE

(INSTALLATIONS AND ENVIRONMENT)

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HOUSE ARMED SERVICES COMMITTEE

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Chairman Ortiz, Congressman Forbes, distinguished members of the Subcommittee: I appreciate the opportunity to appear before you today to address the acquisition of real property, management of real property assets, and disposal mechanisms for Base Realignment and Closure (BRAC) and other surplus properties.

Overview

Installations and ranges are the foundation of America's security – these assets must be available when and where needed, with the capabilities to support current and future mission requirements. America's military installations and ranges, including their associated environment, must sustain the home station and forward presence of U.S. forces and support training, testing and deployments to meet the Nation's defense needs. They must provide a productive, safe, and efficient workplace, and offer the best quality of life possible for our military members and their families, as well as the civilian and contractor workforce.

To meet today's challenges, enhance DoD joint warfighting capability, prepare for the future, and ensure readiness, the Department must continually re-shape and re-size our installations framework to align with operational requirements. DoD must continue to divest excess and obsolete assets, but must also invest to preserve and enhance the military value of installations and ranges that remain after five rounds of base closures to match evolving military requirements – disposing of and acquiring installation assets, including land,

where necessary and configuring and re-configuring to optimize effectiveness and efficiency.

Ranges and Readiness

To properly prepare U.S. forces for combat, DoD training and testing must encompass all the terrain, land cover, and climate conditions that military personnel and weapon systems may encounter during deployment—deserts, mountains, coastal areas, urban areas, swamps, forests, plains, and water. The linkage between range resources and infrastructure and military readiness is fundamental. The ability to train in a realistic environment is directly associated with success and survival in combat. The DoD provides Service men and women with training opportunities that cover the full range of skills needed to ensure troops are deployed with the highest possible assurance of mission success and survival.

Ranges are critical elements of military readiness, as they:

- Provide the realistic environment needed for the development of tactics
- Enable increased force combat survivability and success
- Allow for the testing and demonstration of weapons systems maneuverability, reliability, and effectiveness
- Permit operational proficiency and mission readiness.

Developing Requirements

Training is founded on the availability of the correct range resources and infrastructure. The Military Services develop their training requirements using broadly similar, though not identical, frameworks. The framework includes an assessment of:

- The National Security Strategy of the United States
- The National Military Strategy of the United States and global security environment in which the military will operate
- Guidance for Development of the Force
- Guidance for Employment of the Force
- The Universal Joint Task List (UJTL) and Combatant Commander (CoCom) assigned Mission Essential Tasks.
- Weapons and related systems that are available today and expected to be available in the near future
- The lessons learned from previous military experience, training evolutions, and experimentation.

Out of this assessment, starting with overarching strategy, and filtering down into task-specific needs and requirements, the Services determine how they will operate in combat in the near term. From their planned operations, based on the UJTL and the Joint Mission Essential Task List (JMETL), the Services identify and develop mission essential tasks (METs). The Services then develop training plans to ensure that their forces are proficient in executing the METs.

These training plans are the foundation for the development of range resources and capabilities to support the execution of the Service's METs.

The following example illustrates how this process may result in identifying a requirement for additional land.

Twentynine Palms. The Marine Corps has identified a requirement to acquire training land and accompanying Special Use Airspace at Marine Corps Air Ground Combat Center (MCAGCC), Twentynine Palms, California, sufficient to meet the training requirements for three Marine Expeditionary Brigade (MEB) battalions, as a Ground Combat Element, and a correspondingly sized Air Combat Element to simultaneously maneuver for 48-72 hours, using combined-arms and live fire with their supporting Logistics Combat Element and Command Element. To meet MEB training requirements which utilize weapons systems and platforms currently and foreseeable in the Marine Corps inventory, more contiguous military range land and airspace than is now available for training anywhere in the United States is required. The requirement for MEB training reflects a shift in doctrine that emerged in the 1990s that placed the MEB as the premier fighting force that would be deployed to world crises in the foreseeable future. The Marine Corps studied locations nationwide that might meet the training requirements and concluded that the Southwest Region range complex is the best location to meet them. This study further determined that expansion at MCAGCC would be necessary to meet the sustained MEB training requirement for a three battalion

Ground Combat Element to maneuver to a single objective. MCAGCC is the Marine Corps' service-level training facility for Marine Air Ground Task Force training, the place through which nearly all Marine Corps units rotate for training before deployment.

Sometimes the requirements process can produce controversial acquisition plans. In these cases the Department works closely with Members of Congress and affected communities to seek a mutually acceptable way forward. Two examples of such requirements are as follows.

Navy Outlying Landing Field (OLF). Naval Air Station (NAS) Oceana is located 3.5 miles west of the Atlantic Coast in the City of Virginia Beach, Va. NAS Oceana is home to 19 strike/fighter squadrons, including the F/A 18 Super Hornet. A critical element of the strike/fighter training is Field Carrier Landing Practice (FCLP). The Navy proposes to construct an OLF that will support the FCLP operations of carrier based fixed-wing aircraft squadrons stationed at and transient to NAS Oceana, Virginia Beach, Virginia (F/A– 18C Hornet and F/A– 18E/F Super Hornet squadrons and Fleet Replacement Squadrons (FRS)), and NS Norfolk Chambers Field, Norfolk, Virginia (E–2C Hawkeye, C–2A Greyhound, and E–2C/C–2A FRS). While the existing Naval Auxiliary Landing Field (NALF) Fentress will continue providing necessary support for FCLP and other training requirements, this landing field alone cannot fully support training requirements of home-based and transient aircraft from NAS Oceana and NS Norfolk Chambers

Field. Training requirements for aircraft based at these airfields can exceed NALF Fentress capacity up to 63% of the time during summertime when hours of darkness are limited. Capacity problems are further exacerbated when operational demands require surging additional carrier strike groups. A new OLF is required to provide year-round capacity to support FCLP training requirements under the Fleet Response Plan, provide operational flexibility needed to respond to emergent national defense requirements, and FCLP training consistent with at-sea operating conditions.

Piñon Canyon. Fort Carson, a U.S. Army post located near Colorado Springs, Colorado, has an associated training facility located 150 miles south-southeast called the Piñon Canyon Maneuver Site (PCMS). The U.S. Army has identified a requirement to expand PCMS to enhance training capability for the Soldiers stationed at Fort Carson. The expansion is necessary to help accommodate the increased number of Soldiers resulting from Army Growth and changes to training doctrine resulting from Army Transformation. This proposed expansion would provide sufficient space to allow a Heavy Brigade Combat Team and an Infantry Brigade Combat Team to conduct simultaneous combat training exercises. Additionally, this proposed expansion area would be used to develop a training complex capable of supporting maneuver and live fire for a combined arms battalion.

Force readiness is fundamentally linked to the quality and frequency of testing and training. Yet, many military installations are being threatened by encroachment, including urban and suburban development. DoD's Readiness and Environmental Protection Initiative (REPI), authorized by Congress in 2002, provides military departments with the authority to sign agreements with state or local governments or conservation groups to limit incompatible development of property near military bases and preserve habitat to relieve environmental restrictions on military readiness activities. DoD has been able to successfully leverage the REPI funding provided each year by Congress to protect military readiness at installations such as Naval Air Station Fallon, Nevada and Marine Corps Base Camp Lejeune, North Carolina without the need for DoD to acquire property.

In addition to ranges exclusively owned or operated by the DoD, the U.S. military also utilizes land for training and testing activities that is owned or managed by other agencies including the Bureau of Land Management (BLM), state-owned lands, and privately-owned lands subject to formal use agreements between the Department and land owners. The DoD also utilizes various air, sea, and undersea space in the US, foreign host nations, and international areas to maintain fully trained and ready forces. Before seeking to acquire additional property to meet these needs, DoD policy requires DoD components to determine

that the requirement cannot be satisfied by use of property held by another Military Department or federal agency.

DoD policy also requires prior approval by the Under Secretary of Defense (Acquisition, Technology and Logistics) before a Military Departments proceeds with any proposal to acquire 1,000 or more acres of land, or land with an estimated purchase price or annual lease price that exceeds \$1 million.

Authority to Acquire Land

When DoD determines that land acquisition is required, under provisions of title 10, United States Code, DoD has standing authority to acquire low cost interests in land which do not exceed \$750,000. Larger acquisitions are programmed and budgeted as part of the annual military construction program. DoD may not acquire real property not owned by the United States unless the acquisition is expressly authorized by law.

Carrying Out Authorized Land Acquisitions

Before making final decisions to acquire real property, DoD complies with the requirements of the National Environmental Policy Act to analyze the environmental impacts of proposed acquisitions. That process includes consultations with applicable regulatory agencies regarding endangered species, historic and cultural resources, and other applicable matters.

Public Law 91-646, The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, is the primary law for real property acquisition and relocation activities on all Federal or federally assisted projects and programs. Implementing regulations are published in the Code of Federal Regulations at 49 CFR Part 24. Like other federal agencies, DoD land acquisition procedures follow these requirements.

These procedures ensure that owners of real property to be acquired for Federal and federally-assisted projects are treated fairly and consistently, encourage and expedite acquisition by agreements with such owners, minimize litigation and relieve congestion in the courts, and promote public confidence in Federal and federally-assisted land acquisition programs.

Under these regulations, DoD makes every reasonable effort to acquire property expeditiously by negotiation. Before the initiation of negotiations, DoD establishes the amount it believes is just compensation, which is not less than the approved appraisal of fair market value. That appraisal is prepared under the Uniform Standards of Professional Appraisal Practice published by The Appraisal Foundation, and the Uniform Appraisal Standards for Federal Land Acquisitions, published by the Interagency Land Acquisition Conference and promulgated by the Department of Justice.

The property owner is given reasonable opportunity to consider the offer and present material which the owner believes is relevant to determining the value

of the property and to suggest modification of the proposed terms and conditions of the purchase. DoD is required to, and does, fully consider all relevant material provided by the owner.

These negotiations with the owner often lead to successful property conveyance. But negotiations can be unsuccessful for several reasons. There may be title defects or unclear ownership interests that cannot be resolved through negotiation. An otherwise willing seller may not agree with the Government's opinion of the fair market value of the property. In some cases, an owner may not wish to sell regardless of price.

Only after a negotiation with a property owner to acquire an interest in real property that is required for an authorized national defense purpose is unsuccessful, the Military Departments may ask the Department of Justice to initiate eminent domain proceedings. Under the Act of August 1, 1888 (40 USC 3113), an officer of the Federal Government authorized to acquire real property may acquire the real property for the Government by condemnation, under judicial process, when the officer believes that it is necessary or advantageous to the Government to do so.

These procedures balance the Government's need to acquire property for public use with the rights of property owners to obtain just compensation when the Government acquires their property.

Management of Real Property Assets

America's military installations, including their associated environment, have many purposes. They must sustain the regular forward and home station presence of U.S. forces as well as provide support in training and deployment to meet the Nation's need in periods of crisis, contingency, and combat. They need to ensure a productive, safe, and efficient workplace, and also offer a decent quality of life for military members and families, and the civilian and contractor workforce.

The Department's Real Property Asset Management plan, published in the form of the Defense Installations Strategic Plan, identifies specific goals and objectives to improve the fidelity of inventory reporting and tracking the metrics designed to monitor improvement progress. These goals and objectives address:

- the size and location of assets to meet required capabilities
- effective, safe, and environmentally sound living and working conditions
- informed risk management
- resourcing for high quality capabilities and optimal life-cycle investment
- continuous improvement using best business practices and asset management
- developing a high performing, agile and competent workforce.

This plan also focuses on improved asset management planning, inventory submission and performance measure data, and the disposal of unneeded assets. As part of the Federal Real Property Council's government-wide initiatives to improve real property inventory reporting, the Department continues to provide inventory and performance data to the Federal Real Property Profile annually.

One of the primary tools contributing to the improvement of data integrity has been the implementation of DoD's Real Property Inventory Requirements document. This document refines the quality of data collected by improving the specificity of the data elements requested for submission and by standardizing the data elements collected among the Military Departments. We are well along in development and implementation of a net-centric data warehouse that will directly interface with the Military Departments' native real property inventories and eliminate the old painstaking manual data collection processes that had a high potential for unintended errors.

Disposing of Property at Closed Installations

It is DoD policy to fully utilize all appropriate means to transfer property at installations closed or realigned under a base closure law. Federal law provides the Department with an array of legal authorities, including public benefit transfers for purposes such as schools or parks, economic development conveyances at cost and no cost, negotiated sales to state or local government, conservation conveyances, and public sales, by which to transfer property on closed or realigned installations. Recognizing that the variety of types of facilities available for civilian reuse and the unique circumstances of the surrounding communities does not lend itself to a single universal solution, the Department uses this array of authorities in a way that considers individual circumstances.

It is in the best interest of the Department of Defense and the affected communities to complete the disposal of real property at closed or realigned installations as rapidly as possible to expedite its reuse. The Department of Defense is committed to using the most appropriate real property conveyance authorities to support community redevelopment efforts.

Prior BRAC Disposal and Redevelopment

The Department has used the full range of transfer and conveyance authorities to dispose of real property made available in prior BRAC rounds (1988, 1991, 1993, & 1995). Property disposal is complete at 205 of 250 prior BRAC locations where property became available for disposal. Federal assistance to these locations has exceeded \$1.9 Billion to date, and local redevelopment efforts in turn have resulted in the creation of over 143,700 jobs, more than offsetting the 129,600 civilian jobs that were lost across 73 prior BRAC locations where the Department of Defense Office of Economic Adjustment (OEA) is monitoring redevelopment activity.

BRAC 2005 -- Assisting Communities

The Department, through the OEA and the Defense Economic Adjustment Program, continues to work with states and the more than 147 communities across the country impacted by the effects of BRAC 2005, including Global Defense Posture Realignment, Army Modularity, and “Grow the Force” actions. The

Department has recognized Local Redevelopment Authorities (LRAs) for 116 BRAC 2005 sites to plan the redevelopment of surplus property. These LRAs are expected to provide leadership and develop a redevelopment plan at each location. In some instances LRAs may also direct implementation of the redevelopment plan. The Department is assisting these LRAs as they conduct homeless outreach and seek to balance the needs of the communities in the vicinity of the installation for economic redevelopment and other development with the needs of the homeless as required by statute. Efforts to date have yielded 95 completed redevelopment plans at BRAC 2005 locations. Once completed, a redevelopment plan is to be included as part of an application to the U.S. Department of Housing and Urban Development (HUD) for that Department's review for compliance with the statute. Following HUD's review, the Military Departments work closely with affected LRAs to tailor disposal actions that consider local circumstances. Community redevelopment plans and military conveyance plans are integrated to the extent practicable and take account of anticipated demand for surplus military land and facilities. The Military Department's National Environmental Policy Act analyses give substantial deference to the LRA's redevelopment plan.

Economic Development Conveyances (EDCs)

The base closure statute authorizes a military department to convey real and personal property to an LRA for the purpose of job generation on the installation, known as an Economic Development Conveyance (EDC). Only an LRA is

eligible to acquire property under an EDC. Under base closure law, the military department must seek to obtain fair market value consideration for EDC conveyance of property on installations approved for closure or realignment after January 1, 2005. The military departments may grant an EDC without consideration (i.e. 'no cost' EDC) subject to statutory requirements regarding use of proceeds received by the LRA from lease or conveyance of the property, and agreement by the LRA to take title to the property within a reasonable period.

We are aware that interest has been expressed in amending current legislation to require that all EDCs be at no-cost, based on the premise that greater reliance on no-cost EDCs would help generate economic recovery by speeding redevelopment of the property. However, we are not aware of data supporting that premise. Rather than cost versus no-cost EDCs, in our experience two other factors present the most significant challenges to rapid property disposal and redevelopment opportunities. The first is the requirement that DoD analyze, under the National Environmental Policy Act, potential environmental impacts of how the property might be redeveloped and used after conveyance, before DoD can convey any property. Second, as the Government Accountability Office reported in January 2005, environmental cleanup constraints cause delay in property transfer at some locations.

Our experience using the current array of legal authorities to convey base closure real property suggests that we have sufficient tools, and sufficient flexibility to use those tools, to properly address the range of needs and

circumstances encountered at closing installations and the communities that have hosted them.

Disposing of other surplus real property

At locations not subject to a base closure law, DoD disposes of excess and surplus real property following the requirements of the Federal Property and Administrative Services Act of 1949, as amended (title 40, United States Code, subtitle I, Chapter 5, subchapter III), and implementing regulations contained in the Federal Management Regulation (41 CFR Part 102-75). Under those regulations, property under the control of a military department that is not required to meet that department's needs or responsibilities is first screened within DoD to determine whether there is any further DoD need for the property. If not, the military department reports the property to the General Services Administration (GSA) for further disposal actions. GSA may transfer the property to another federal agency to meet that agency's mission needs, or dispose of it as surplus property under public benefit conveyance, negotiated sale, or public sale authorities.

Conclusion

In closing, Mr. Chairman, I sincerely thank you for this opportunity to discuss the Department's acquisition, management, and disposal of real property. To meet the ever changing warfighting landscape our military must be flexible and

responsive, and our installations and ranges must adapt and be managed to maximize that flexibility and responsiveness. I appreciate your continued support and I look forward to continuing to work with you on these important matters.